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UNITED STATES OF AMERICA

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

JAN 03 2002
9:00 clock and min.
WALTER A. Y. H. CHINN, CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

UNITED STATES OF AMERICA,)	CR. No. 01-00300 DAE
)	
Plaintiff,)	
)	SUPERSEDING INDICTMENT
vs.)	
)	18 U.S.C. §§ 371, 666
)	
SANDRA CLARKE (02),)	(Conspiracy and Theft
)	From Program Receiving
)	Federal Funds)
Defendant.)	
)	

SUPERSEDING INDICTMENT

COUNT 1

The Grand Jury charges:

From a precise date unknown to the grand jury, but by 1996, and continuing to on or about May 9, 1998, in the District of Hawaii and elsewhere, SANDRA CLARKE, being an agent of the Waimanalo Housing Resident Association, an organization which during that time receive annual benefits in excess of \$10,000 in

the form of United States Department of Housing and Urban Development Tenant Opportunity Program grant funds, did knowingly conspire with Faith Tanner, who is not named as a defendant in this superseding indictment, to embezzle, steal, knowingly convert to the use of a person other than the rightful owner, and intentionally misapply property having a value of \$5,000 or more, namely, funds under the care, custody and control of said Waimanalo Housing Resident Association, violations of Title 18, United States Code, section 666.

WAYS AND MEANS OF THE CONSPIRACY

Sandra Clarke was an officer of the Waimanalo Housing Resident Association (WHRA). In 1995, the WHRA received a Tenant Opportunity Program (TOP) grant of approximately \$99,914 from the United States Department of Housing and Urban Development (HUD). The grant money was intended to be used to provide services which would help the WHRA residents assume management responsibilities from the Hawaii Housing Authority for their community. The grant money could not be used for entertainment, personal expenditures, salaries or for expenditures unrelated to the WHRA.

Sandra Clarke was the only representative of WHRA authorized to access the TOP grant funds. Clarke was given a password to access the funds through the HUD line of credit control system (LOCCS). The money was then deposited into the

WHRA checking account, which Clarke controlled, and was to be used to pay the WHRA's authorized expenditures.

Clarke wrote various checks made payable to "cash," which she cashed and used for unauthorized purposes. The unauthorized payments included providing money to Faith Tanner for personal expenses, including rent payments, car payments and expenses relating to the burial of Tanner's brother. Clarke kept some of the other money, claiming it was a salary, which was not authorized under the TOP grant. Clarke also used some of the grant money to fund entertainment and sporting events, and to pay for the travel of persons not affiliated with the WHRA.

OVERT ACTS

In furtherance of the conspiracy and to effect the objects thereof, SANDRA CLARKE committed various overt acts, including the following:

1. On or about October 1, 1996, CLARKE wrote a check to Enchanted Lake Travel for \$1,256 to pay the travel expenses of two persons who were not affiliated with the WHRA.
2. On or about October 11, 1996, CLARKE wrote a check for \$5,698 which was used partly to pay expenses for two persons not affiliated with the WHRA.
3. On or about December 3, 1996, CLARKE wrote a check to cash for \$5,000, which she kept for herself.

4. On or about December 18, 1996, CLARKE wrote a check to cash for \$3,500, a portion of which she gave to Faith Tanner.

5. On or about January 2, 1997, CLARKE wrote a check made payable to the WHRA for \$3,000, which she then split with Faith Tanner.

6. On or about January 29, 1997, CLARKE wrote a check to cash for \$2,000, which she then split with Faith Tanner.

7. On or about February 10, 1997, CLARKE wrote a check to cash for \$1,200, which she kept for herself.

8. On or about February 28, 1997, CLARKE wrote a check to cash for \$2,000, which she then split with Faith Tanner.

9. On or about March 14, 1997, CLARKE wrote a check to cash for \$3,000, which she then split with Faith Tanner.

10. On or about March 25, 1997, CLARKE wrote a check to cash for \$1,000, which she kept for herself.

11. On or about March 31, 1997, CLARKE wrote a check to cash for \$1,000, which she gave to Faith Tanner.

12. On or about April 9, 1997, CLARKE wrote a check to cash for \$2,000, which she split with Faith Tanner.

13. On or about April 22, 1997, CLARKE wrote a check to cash for \$2,000, which she gave to Faith Tanner.

14. On or about April 22, 1997, CLARKE wrote a check to cash for \$1,000, which she kept for herself.

15. On or about July 3, 1997, CLARKE wrote a check to cash for \$1,000, which she kept for herself.

16. On or about July 9, 1997, CLARKE wrote a check to cash for \$1,150, which she provided to Faith Tanner.

17. On or about July 12, 1997, CLARKE wrote a check to cash for \$1,000, which she provided to Faith Tanner.

18. On or about July 18, 1997, CLARKE wrote a check to cash for \$7,300, and provided \$7,000 to Faith Tanner.

19. On or about August 15, 1997, CLARKE wrote a check to cash for \$1,200, which she kept for herself.

20. On or about September 4, 1997, CLARKE wrote a check to cash for \$1,000, which she kept for herself.

21. On or about April 15, 1998, CLARKE wrote a check to cash for \$1,500, which she kept for herself.

All in violation of Title 18, United States Code, section 371.

COUNT 2

The Grand Jury further charges:

From on or about December 18, 1996 through on or about July 18, 1997, in the District of Hawaii, SANDRA CLARKE, being an agent of the Waimanalo Housing Resident Association, an organization which during calendar year 1997 received benefits in excess of \$10,000 in the form of United States Department of Housing and Urban Department Tenant Opportunity Program grant

funds, did, as an aider and abettor to Faith Tanner, embezzle, steal, knowingly convert to the use of a person other than the rightful owner, and intentionally misapply property having a value of \$5,000 or more, namely, approximately \$23,800 in funds under the care, custody and control of said Waimanalo Housing Resident Association.

In violation of Title 18, United States Code, section 666.

COUNT 3

The Grand Jury further charges:

From on or about December 3, 1996 through on or about November 14, 1997, in the District of Hawaii, SANDRA CLARKE, being an agent of the Waimanalo Housing Resident Association, an organization which during calendar year 1997 received benefits in excess of \$10,000 in the form of United States Department of Housing and Urban Department Tenant Opportunity Program grant funds, did embezzle, steal, knowingly convert to the use of a person other than the rightful owner, and intentionally misapply property having a value of \$5,000 or more, namely, more than \$24,950 in funds under the care, custody and control of said Waimanalo Housing Resident Association.

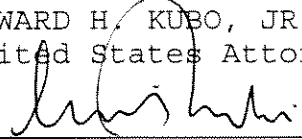
In violation of Title 18, United States Code, section
666.

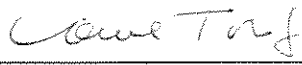
DATED: January 3, 2002, at Honolulu, Hawaii.

A TRUE BILL

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FOREPERSON, Grand Jury

EDWARD H. KUBO, JR.
United States Attorney


ELLIOT ENOKI
First Assistant U.S. Attorney


LAWRENCE L. TONG
Assistant U.S. Attorney

United States v. Sandra Clarke
"Superseding Indictment"
Cr. No. 01-00300 DAE